

# Senate Amendment 3397

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1 1 Amend the amendment, S=3391, to House File 692, as  
1 2 amended, passed, and reprinted by the House, as  
1 3 follows:  
1 4 #1. By striking page 39, line 15, through page 64,  
1 5 line 43, and inserting the following:

1 6 1 7 IOWA VALUES BOARD AND FUND == BONDING  
1 8 AUTHORITY

1 9 Sec. \_\_\_\_\_. Section 8.57, subsection 5, paragraph e,  
1 10 Code 2003, is amended to read as follows:

1 11 e. Notwithstanding provisions to the contrary in  
1 12 sections 99D.17 and 99F.11, for the fiscal year period  
1 13 beginning July 1, 2000, and for each fiscal year

~~1 14 thereafter, 2003, and ending June 30, 2005, not more~~

1 15 than a total of sixty million dollars shall be

1 16 deposited in the general fund of the state in any

1 17 fiscal year pursuant to sections 99D.17 and 99F.11;

~~1 18 for the fiscal period beginning July 1, 2005, and~~

~~1 19 ending June 30, 2030, not more than a total of sixty~~

~~1 20 million dollars of the moneys directed to be deposited~~

~~1 21 in the general fund of the state in a fiscal year~~

~~1 22 pursuant to sections 99D.17 and 99F.11 shall be~~

~~1 23 deposited in the Iowa values fund created in section~~

~~1 24 15G.105 in any fiscal year; and for the fiscal year~~

~~1 25 beginning July 1, 2030, and for each fiscal year~~

~~1 26 thereafter, not more than a total of sixty million~~

~~1 27 dollars shall be deposited in the general fund of the~~

~~1 28 state in any fiscal year pursuant to sections 99D.17~~

~~1 29 and 99F.11.~~ The next fifteen million dollars of the

1 30 moneys directed to be deposited in the general fund of

1 31 the state in a fiscal year pursuant to sections 99D.17

1 32 and 99F.11 shall be deposited in the vision Iowa fund

1 33 created in section 12.72 for the fiscal year beginning

1 34 July 1, 2000, and for each fiscal year through the

1 35 fiscal year beginning July 1, 2019. The next five

1 36 million dollars of the moneys directed to be deposited

1 37 in the general fund of the state in a fiscal year

1 38 pursuant to sections 99D.17 and 99F.11 shall be

1 39 deposited in the school infrastructure fund created in

1 40 section 12.82 for the fiscal year beginning July 1,

1 41 2000, and for each fiscal year thereafter until the

1 42 principal and interest on all bonds issued by the

1 43 treasurer of state pursuant to section 12.81 are paid,

1 44 as determined by the treasurer of state. The total

1 45 moneys in excess of the moneys deposited in the

1 46 general fund of the state, the Iowa values fund, the

1 47 vision Iowa fund, and the school infrastructure fund

1 48 in a fiscal year shall be deposited in the rebuild

1 49 Iowa infrastructure fund and shall be used as provided

1 50 in this section, notwithstanding section 8.60.

2 1 If the total amount of moneys directed to be

2 2 deposited in the general fund of the state under

2 3 sections 99D.17 and 99F.11 in a fiscal year is less

2 4 than the total amount of moneys directed to be

2 5 deposited in the Iowa values fund, the vision Iowa

2 6 fund, and the school infrastructure fund in the fiscal

2 7 year pursuant to this paragraph "e", the difference

2 8 shall be paid from lottery revenues in the manner

2 9 provided in section 99E.10, subsection 3.

2 10 Sec. \_\_\_\_\_. NEW SECTION. 12.91 GENERAL AND

2 11 SPECIFIC BONDING POWERS == IOWA VALUES PROGRAM.

2 12 1. The treasurer of state may issue bonds for the

2 13 purpose of funding the Iowa values fund created in

2 14 section 15G.105. The treasurer of state shall have

2 15 all of the powers which are necessary to issue and

2 16 secure bonds and carry out the purposes of the fund.

2 17 The treasurer of state may issue bonds in principal

2 18 amounts which are necessary to provide sufficient

2 19 funds for the Iowa values fund, the payment of

2 20 interest on the bonds, the establishment of reserves

2 21 to secure the bonds, the costs of issuance of the

2 22 bonds, other expenditures of the treasurer of state

2 23 incident to and necessary or convenient to carry out

2 24 the bond issue for the fund, and all other

2 25 expenditures of the board necessary or convenient to

2 26 administer the fund. The bonds are investment  
2 27 securities and negotiable instruments within the  
2 28 meaning of and for purposes of the uniform commercial  
2 29 code.

2 30 2. Bonds issued under this section are payable  
2 31 solely and only out of the moneys, assets, or revenues  
2 32 of the Iowa values fund and any bond reserve funds  
2 33 established pursuant to section 12.92, all of which  
2 34 may be deposited with trustees or depositories in  
2 35 accordance with bond or security documents and pledged  
2 36 to the payment thereof. Bonds issued under this  
2 37 section shall contain on their face a statement that  
2 38 the bonds do not constitute an indebtedness of the  
2 39 state. The treasurer of state shall not pledge the  
2 40 credit or taxing power of this state or any political  
2 41 subdivision of the state or make bonds issued pursuant  
2 42 to this section payable out of any moneys except those  
2 43 in the Iowa values fund.

2 44 3. The proceeds of bonds issued by the treasurer  
2 45 of state and not required for immediate disbursement  
2 46 may be deposited with a trustee or depository as  
2 47 provided in the bond documents and invested or  
2 48 reinvested in any investment as directed by the  
2 49 treasurer of state and specified in the trust  
2 50 indenture, resolution, or other instrument pursuant to  
3 1 which the bonds are issued without regard to any  
3 2 limitation otherwise provided by law.

3 3 4. The bonds shall be:

3 4 a. In a form, issued in denominations, executed in  
3 5 a manner, and payable over terms and with rights of  
3 6 redemption, and be subject to the terms, conditions,  
3 7 and covenants providing for the payment of the  
3 8 principal of, redemption premiums, if any, interest  
3 9 which may be fixed or variable during any period the  
3 10 bonds are outstanding, and such other terms and  
3 11 conditions as prescribed in the trust indenture,  
3 12 resolution, or other instrument authorizing their  
3 13 issuance.

3 14 b. Negotiable instruments under the laws of the  
3 15 state and may be sold at prices, at public or private  
3 16 sale, and in a manner, as prescribed by the treasurer  
3 17 of state. Chapters 73A, 74, 74A, and 75 do not apply  
3 18 to the sale or issuance of the bonds.

3 19 c. Subject to the terms, conditions, and covenants  
3 20 providing for the payment of the principal, redemption  
3 21 premiums, if any, interest, and other terms,  
3 22 conditions, covenants, and protective provisions  
3 23 safeguarding payment, not inconsistent with this  
3 24 section and as determined by the trust indenture,  
3 25 resolution, or other instrument authorizing their  
3 26 issuance.

3 27 5. The bonds are securities in which public  
3 28 officers and bodies of this state, political  
3 29 subdivisions of this state, insurance companies and  
3 30 associations and other persons carrying on an  
3 31 insurance business, banks, trust companies, savings  
3 32 associations, savings and loan associations, and  
3 33 investment companies; administrators, guardians,  
3 34 executors, trustees, and other fiduciaries; and other  
3 35 persons authorized to invest in bonds or other  
3 36 obligations of the state, may properly and legally  
3 37 invest funds, including capital, in their control or  
3 38 belonging to them.

3 39 6. Bonds must be authorized by a trust indenture,  
3 40 resolution, or other instrument of the treasurer of  
3 41 state.

3 42 7. Neither the resolution, trust indenture, nor  
3 43 any other instrument by which a pledge is created  
3 44 needs to be recorded or filed under the Iowa uniform  
3 45 commercial code to be valid, binding, or effective.

3 46 8. Bonds issued under the provisions of this  
3 47 section are declared to be issued for a general public  
3 48 and governmental purpose and all bonds issued under  
3 49 this section shall be exempt from taxation by the  
3 50 state of Iowa and the interest on the bonds shall be  
4 1 exempt from the state income tax and the state  
4 2 inheritance and estate tax.

4 3 9. Subject to the terms of any bond documents,  
4 4 moneys in the Iowa values fund may be expended for  
4 5 administration expenses.

4 6 10. The treasurer of state may issue bonds for the

4 7 purpose of refunding any bonds issued pursuant to this  
4 8 section then outstanding, including the payment of any  
4 9 redemption premiums thereon and any interest accrued  
4 10 or to accrue to the date of redemption of the  
4 11 outstanding bonds. Until the proceeds of bonds issued  
4 12 for the purpose of refunding outstanding bonds are  
4 13 applied to the purchase or retirement of outstanding  
4 14 bonds or the redemption of outstanding bonds, the  
4 15 proceeds may be placed in escrow and be invested and  
4 16 reinvested in accordance with the provisions of this  
4 17 section. The interest, income, and profits earned or  
4 18 realized on an investment may also be applied to the  
4 19 payment of the outstanding bonds to be refunded by  
4 20 purchase, retirement, or redemption. After the terms  
4 21 of the escrow have been fully satisfied and carried  
4 22 out, any balance of proceeds and interest earned or  
4 23 realized on the investments may be returned to the  
4 24 treasurer of state for deposit in the Iowa values fund  
4 25 established in section 15G.105. All refunding bonds  
4 26 shall be issued and secured and subject to the  
4 27 provisions of this chapter in the same manner and to  
4 28 the same extent as other bonds issued pursuant to this  
4 29 section.

4 30 11. The treasurer of state shall have all of the  
4 31 powers which are necessary to issue and secure bonds,  
4 32 including but not limited to the power to procure  
4 33 insurance, other credit enhancements, and other  
4 34 financing arrangements, and to execute instruments and  
4 35 contracts and to enter into agreements convenient or  
4 36 necessary to facilitate financing arrangements with  
4 37 respect to the bonds and to carry out the purposes of  
4 38 the fund, including but not limited to such  
4 39 arrangements, instruments, contracts, and agreements  
4 40 as municipal bond insurance, self-insurance or  
4 41 liquidity trusts, accounts, pools or other  
4 42 arrangements, liquidity facilities or covenants,  
4 43 letters of credit, and interest rate agreements.

4 44 12. For purposes of this section and sections  
4 45 12.92 through 12.95, the term "bonds" means bonds,  
4 46 notes, and other obligations and financing  
4 47 arrangements issued or entered into by the treasurer  
4 48 of state and the term "interest rate agreement" means  
4 49 an interest rate swap or exchange agreement, an  
4 50 agreement establishing an interest rate floor or  
5 1 ceiling or both, or any similar agreement. Any such  
5 2 agreement may include the option to enter into or  
5 3 cancel the agreement or to reverse or extend the  
5 4 agreement.

5 5 Sec.     . NEW SECTION. 12.92 IOWA VALUES FUND  
5 6 ACCOUNTS AND RESERVE FUNDS.

5 7 1. The treasurer of state shall establish such  
5 8 accounts within the Iowa values fund created in  
5 9 section 15G.105 as may be appropriate, including debt  
5 10 service accounts for the purpose of paying the  
5 11 principal of, redemption premium, if any, and interest  
5 12 on bonds payable therefrom. Moneys in the debt  
5 13 service accounts shall not be subject to appropriation  
5 14 for any other purpose by the general assembly, but  
5 15 shall be used only for the purposes of paying the  
5 16 principal of, redemption premium, if any, and interest  
5 17 on the bonds payable therefrom.

5 18 2. Revenue for the Iowa values fund shall include,  
5 19 but is not limited to, the following, which shall be  
5 20 deposited with the treasurer of state or its designee  
5 21 as provided by any bond or security documents and  
5 22 credited to the debt service account:

5 23 a. The proceeds of bonds issued to capitalize and  
5 24 pay the costs of the fund and investment earnings on  
5 25 the proceeds.

5 26 b. Interest attributable to investment of moneys  
5 27 in the fund or an account of the fund.

5 28 c. Moneys in the form of a devise, gift, bequest,  
5 29 donation, federal or other grant, reimbursement,  
5 30 repayment, judgment, transfer, payment, or  
5 31 appropriation from any source intended to be used for  
5 32 the purposes of the fund or account.

5 33 3. a. The treasurer of state may create and  
5 34 establish one or more special funds, to be known as  
5 35 "bond reserve funds", to secure one or more issues of  
5 36 bonds issued pursuant to section 12.91. The treasurer  
5 37 of state shall pay into each bond reserve fund any

5 38 moneys appropriated and made available by the state or  
5 39 treasurer of state for the purpose of the fund, any  
5 40 proceeds of sale of bonds to the extent provided in  
5 41 the resolutions or trust indentures authorizing their  
5 42 issuance, and any other moneys which may be available  
5 43 to the treasurer of state for the purpose of the fund  
5 44 from any other sources. All moneys held in a bond  
5 45 reserve fund, except as otherwise provided in this  
5 46 chapter, shall be used as required solely for the  
5 47 payment of the principal of bonds secured in whole or  
5 48 in part by the fund or of the sinking fund payments  
5 49 with respect to the bonds, the purchase or redemption  
5 50 of the bonds, the payment of interest on the bonds, or  
6 1 the payments of any redemption premium required to be  
6 2 paid when the bonds are redeemed prior to maturity.

6 3 b. Moneys in a bond reserve fund shall not be  
6 4 withdrawn from it at any time in an amount that will  
6 5 reduce the amount of the fund to less than the bond  
6 6 reserve fund requirement established for the fund, as  
6 7 provided in this subsection, except for the purpose of  
6 8 making, with respect to bonds secured in whole or in  
6 9 part by the fund, payment when due of principal,  
6 10 interest, redemption premiums, and the sinking fund  
6 11 payments with respect to the bonds for the payment of  
6 12 which other moneys of the treasurer of state are not  
6 13 available.

6 14 Any income or interest earned by, or incremental  
6 15 to, a bond reserve fund due to the investment of it  
6 16 may be transferred by the treasurer of state to other  
6 17 funds or accounts to the extent the transfer does not  
6 18 reduce the amount of that bond reserve fund below the  
6 19 bond reserve fund requirement for it.

6 20 c. The treasurer of state shall not at any time  
6 21 issue bonds, secured in whole or in part by a bond  
6 22 reserve fund, if, upon the issuance of the bonds, the  
6 23 amount in the bond reserve fund will be less than the  
6 24 bond reserve fund requirement for the fund, unless the  
6 25 treasurer of state at the time of issuance of the  
6 26 bonds deposits in the fund from the proceeds of the  
6 27 bonds issued or from other sources an amount which,  
6 28 together with the amount then in the fund, will not be  
6 29 less than the bond reserve fund requirement for the  
6 30 fund. For the purposes of this subsection, the term  
6 31 "bond reserve fund requirement" means, as of any  
6 32 particular date of computation, an amount of money, as  
6 33 provided in the resolutions or trust indentures  
6 34 authorizing the bonds with respect to which the fund  
6 35 is established.

6 36 d. To assure the continued solvency of any bonds  
6 37 secured by the bond reserve fund, provision is made in  
6 38 paragraph "a" for the accumulation in each bond  
6 39 reserve fund of an amount equal to the bond reserve  
6 40 requirement for the fund. In order to further assure  
6 41 maintenance of the bond reserve funds, the treasurer  
6 42 of state shall, on or before January 1 of each  
6 43 calendar year, make and deliver to the governor the  
6 44 treasurer of state's certificate stating the sum, if  
6 45 any, required to restore each bond reserve fund to the  
6 46 bond reserve fund requirement for that fund. Within  
6 47 thirty days after the beginning of the session of the  
6 48 general assembly next following the delivery of the  
6 49 certificate, the governor shall submit to both houses  
6 50 printed copies of a budget including the sum, if any,  
7 1 required to restore each bond reserve fund to the bond  
7 2 reserve fund requirement for that fund. Any sums  
7 3 appropriated by the general assembly and paid to the  
7 4 treasurer of state pursuant to this subsection shall  
7 5 be deposited by the treasurer of state in the  
7 6 applicable bond reserve fund.

7 7 Sec. \_\_\_\_ NEW SECTION. 12.93 PLEDGES.

7 8 1. It is the intention of the general assembly  
7 9 that a pledge made in respect of bonds shall be valid  
7 10 and binding from the time the pledge is made, that the  
7 11 moneys or property so pledged and received after the  
7 12 pledge by the treasurer of state shall immediately be  
7 13 subject to the lien of the pledge without physical  
7 14 delivery or further act, and that the lien of the  
7 15 pledge shall be valid and binding as against all  
7 16 parties having claims of any kind in tort, contract,  
7 17 or otherwise against the treasurer of state whether or  
7 18 not the parties have notice of the lien.

7 19 2. The moneys set aside in a fund or funds pledged  
7 20 for any series or issue of bonds shall be held for the  
7 21 sole benefit of the series or issue separate and apart  
7 22 from moneys pledged for another series or issue of  
7 23 bonds of the treasurer of state. Bonds may be issued  
7 24 in series under one or more resolutions or trust  
7 25 indentures and may be fully open-ended, thus providing  
7 26 for the unlimited issuance of additional series, or  
7 27 partially open-ended, limited as to additional series.

7 28 Sec. \_\_\_\_ NEW SECTION. 12.94 LIMITATIONS.

7 29 Bonds issued pursuant to section 12.91 are not  
7 30 debts of the state, or of any political subdivision of  
7 31 the state, and do not constitute a pledge of the faith  
7 32 and credit of the state or a charge against the  
7 33 general credit or general fund of the state. The  
7 34 issuance of any bonds pursuant to section 12.91 by the  
7 35 treasurer of state does not directly, indirectly, or  
7 36 contingently obligate the state or a political  
7 37 subdivision of the state to apply moneys, or to levy  
7 38 or pledge any form of taxation whatever, to the  
7 39 payment of the bonds. Bonds issued under section  
7 40 12.91 are payable solely and only from the sources and  
7 41 special fund and accounts provided in section 12.92.

7 42 Sec. \_\_\_\_ NEW SECTION. 12.95 CONSTRUCTION.

7 43 Sections 12.91 through 12.94, being necessary for  
7 44 the welfare of this state and its inhabitants, shall  
7 45 be liberally construed to effect its purposes.

7 46 Sec. \_\_\_\_ NEW SECTION. 15G.101 PURPOSE.

7 47 The purpose of this chapter is to identify and  
7 48 assist those economic and business sectors that have  
7 49 the most potential to contribute to the long-term  
7 50 growth and development of the state economy.

8 1 Sec. \_\_\_\_ NEW SECTION. 15G.102 DEFINITIONS.

8 2 As used in this chapter, unless the context

8 3 otherwise requires:

8 4 1. "Board" means the Iowa values board established  
8 5 in section 15G.103.

8 6 2. "Department" means the Iowa department of  
8 7 economic development created in section 15.105.

8 8 3. "Director" means the director of the department  
8 9 of economic development.

8 10 4. "Fund" means the Iowa values fund created in  
8 11 section 15G.105.

8 12 Sec. \_\_\_\_ NEW SECTION. 15G.103 IOWA VALUES  
8 13 BOARD.

8 14 1. The Iowa values board is established consisting  
8 15 of seventeen voting members and six ex officio,  
8 16 nonvoting members. The board shall be located for  
8 17 administrative purposes within the department and the  
8 18 director shall provide office space, staff assistance,  
8 19 and necessary supplies and equipment for the board.  
8 20 The director shall budget funds to pay the  
8 21 compensation and expenses of the board. In performing  
8 22 its functions, the board is performing a public  
8 23 function on behalf of the state and is a public  
8 24 instrumentality of the state.

8 25 2. The director and a representative of the Iowa  
8 26 capital investment board, created in section 15E.63,  
8 27 shall serve as ex officio members of the board. The  
8 28 legislative ex officio members of the board are two  
8 29 state senators, one appointed by the president of the  
8 30 senate, and one appointed by the minority leader of  
8 31 the senate, from their respective parties; and two  
8 32 state representatives, one appointed by the speaker  
8 33 and one appointed by the minority leader of the house  
8 34 of representatives from their respective parties. The  
8 35 legislative ex officio members shall have business  
8 36 experience.

8 37 3. The voting members of the board shall be  
8 38 appointed as follows:

8 39 a. One individual from the advanced manufacturing  
8 40 industry, appointed by the governor.

8 41 b. One individual from the life science industry,  
8 42 appointed by the governor.

8 43 c. One individual from the information technology  
8 44 industry, appointed by the governor.

8 45 d. One individual from the investment banking  
8 46 industry, appointed by the governor.

8 47 e. One individual from the economic development  
8 48 community who resides and works in a county with a  
8 49 population ranking in the lowest one-third of county

8 50 populations as measured by the 2000 census, appointed  
9 1 by the governor.

9 2 f. One individual from the economic development  
9 3 community who resides and works in a county with a  
9 4 population ranking in the middle one-third of county  
9 5 populations as measured by the 2000 census, appointed  
9 6 by the governor.

9 7 g. One individual from the economic development  
9 8 community who resides and works in a county with a  
9 9 population ranking in the highest one-third of county  
9 10 populations as measured by the 2000 census, appointed  
9 11 by the governor.

9 12 h. One individual from a statewide agricultural  
9 13 organization, appointed by the governor.

9 14 i. One representative of a labor union, appointed  
9 15 by the governor.

9 16 j. One representative from a private college or  
9 17 university, appointed by the governor.

9 18 k. One representative from the community college  
9 19 system, appointed by the governor.

9 20 l. One individual with demonstrated significant  
9 21 experience in small business, appointed by the  
9 22 governor.

9 23 m. One representative of the university of Iowa,  
9 24 the university of northern Iowa, or Iowa state  
9 25 university of science and technology, designated by  
9 26 the state board of regents.

9 27 n. Two individuals from private industry appointed  
9 28 by the house of representatives. One individual shall  
9 29 be appointed by the speaker of the house of  
9 30 representatives and one individual shall be appointed  
9 31 by the minority leader in the house of  
9 32 representatives.

9 33 o. Two individuals from private industry appointed  
9 34 by the senate. One individual shall be appointed by  
9 35 the president of the senate and one individual shall  
9 36 be appointed by the minority leader in the senate.

9 37 4. All appointments shall comply with sections  
9 38 69.16 and 69.16A. The appointments listed in  
9 39 subsection 3, paragraphs "a" through "l", shall be  
9 40 subject to confirmation by the senate. Of the members  
9 41 appointed by the governor, at least two members shall  
9 42 be members of the Iowa economic development board  
9 43 created in section 15.103. A majority of the voting  
9 44 members of the board listed in subsection 3,  
9 45 paragraphs "a" through "l", shall be from the private  
9 46 sector.

9 47 5. The voting members of the board listed in  
9 48 subsection 3, paragraphs "a" through "l", shall be  
9 49 residents of different counties.

9 50 6. The chairperson and vice chairperson shall be  
10 1 elected by the voting members of the board from the  
10 2 voting membership of the board. In the case of the  
10 3 absence or disability of the chairperson and vice  
10 4 chairperson, the voting members of the board shall  
10 5 elect a temporary chairperson by a majority vote of  
10 6 those members who are present and voting provided a  
10 7 quorum is present.

10 8 7. The voting members of the board shall annually  
10 9 elect a five-member executive council of the board  
10 10 consisting of voting members of the board with at  
10 11 least three of the members being from private  
10 12 industry. The board shall determine the duties of the  
10 13 council.

10 14 8. The members of the board shall be appointed to  
10 15 three-year staggered terms and the terms shall  
10 16 commence and end as provided in section 69.19. If a  
10 17 vacancy occurs, a successor shall be appointed in the  
10 18 same manner and subject to the same qualifications as  
10 19 the original appointment to serve the unexpired term.

10 20 9. A majority of the board constitutes a quorum.

10 21 10. A voting member of the board shall abstain  
10 22 from voting on the provision of financial assistance  
10 23 to a project which is located in the county in which  
10 24 the voting member of the board resides.

10 25 Sec. \_\_\_\_ . NEW SECTION. 15G.104 BOARD DUTIES.  
10 26 The board shall do all of the following:

10 27 1. Organize.

10 28 2. Oversee and administer the Iowa values fund.

10 29 3. Develop a five-year strategic plan with an  
10 30 annual operating plan to share with the Iowa economic

10 31 development board for consideration in the developing  
 10 32 of a departmentwide strategic plan.  
 10 33 4. Develop a long-range strategic plan designed to  
 10 34 address economic development-related issues through  
 10 35 the year 2020.  
 10 36 5. Develop and assist the department in  
 10 37 implementing activities addressing all of the  
 10 38 following economic foundation issues of the economy:  
 10 39 a. Skilled and adaptable human resources.  
 10 40 b. Access to technologies on which new products  
 10 41 and processes are based.  
 10 42 c. Availability of financial capital to support  
 10 43 new ventures, expansion of existing companies, and  
 10 44 reinvestment in transition industries.  
 10 45 d. Support of advanced physical infrastructure for  
 10 46 transportation, communications, energy and water, and  
 10 47 waste handling.  
 10 48 e. A review of the regulatory and taxation  
 10 49 environment and business climate resulting in  
 10 50 recommendations to balance competitiveness.

11 1 6. Focus on nondiscriminatory market expansion and  
 11 2 foster a competitive and open environment. The board  
 11 3 shall not be a mechanism to allocate markets, fix  
 11 4 prices, or stifle competition.

11 5 7. By January 15 of each year, submit a written  
 11 6 report to the general assembly reviewing the  
 11 7 activities of the board during the previous calendar  
 11 8 year. The report shall also include an annual audit  
 11 9 of moneys appropriated from the fund and a statement  
 11 10 regarding return on investments. State agencies and  
 11 11 other entities receiving moneys from the fund shall  
 11 12 cooperate with and assist the board in the compilation  
 11 13 of the report.

11 14 8. Make a determination to discontinue providing  
 11 15 moneys to the entity if an entity receiving moneys  
 11 16 from the Iowa values fund does not meet criteria  
 11 17 required by an agreement with the board.

11 18 9. Adopt administrative rules pursuant to chapter  
 11 19 17A necessary to administer this chapter.

11 20 Sec. \_\_\_\_ NEW SECTION. 15G.105 IOWA VALUES FUND.

11 21 An Iowa values fund is created and established as a  
 11 22 separate and distinct fund in the state treasury.  
 11 23 Moneys in the fund shall not be subject to  
 11 24 appropriation for any other purposes by the general  
 11 25 assembly, other than as provided in this Act, but  
 11 26 shall be used only for the purposes of the Iowa values  
 11 27 fund. The treasurer of state shall act as custodian  
 11 28 of the fund and disburse moneys contained in the fund  
 11 29 as directed by the Iowa values board, including  
 11 30 automatic disbursements of funds received pursuant to  
 11 31 the terms of bond indentures and documents and  
 11 32 security provisions to trustees. The fund shall be  
 11 33 administered by the Iowa values board, which shall  
 11 34 make expenditures from the fund consistent with the  
 11 35 purposes of this Act without further appropriation.  
 11 36 Payments of interest, repayments of moneys loaned  
 11 37 pursuant to this chapter, and recaptures of grants or  
 11 38 loans shall be deposited in the fund. Moneys in the  
 11 39 fund are not subject to section 8.33. Notwithstanding  
 11 40 section 12C.7, interest or earnings on moneys in the  
 11 41 fund shall be credited to the fund.

11 42 Sec. \_\_\_\_ DEPARTMENT OF ECONOMIC DEVELOPMENT

11 43 APPROPRIATION.

11 44 1. There is appropriated from the Iowa values fund  
 11 45 created in section 15G.105 to the department of  
 11 46 economic development for the fiscal period beginning  
 11 47 July 1, 2003, and ending June 30, 2008, the following  
 11 48 amounts, or so much thereof as is necessary, to be  
 11 49 used for the purposes designated:

11 50 For programs administered by the department of

12 1 economic development:	
12 2 FY 2003=2004.....	\$ 90,000,000
12 3 FY 2004=2005.....	\$ 70,000,000
12 4 FY 2005=2006.....	\$ 60,000,000
12 5 FY 2006=2007.....	\$ 60,000,000
12 6 FY 2007=2008.....	\$ 50,000,000

12 7 2. Notwithstanding section 8.33, moneys that  
 12 8 remain unexpended at the end of a fiscal year shall  
 12 9 not revert to any fund but shall remain available for  
 12 10 expenditure for the designated purposes during the  
 12 11 succeeding fiscal year.

12 12 3. Each year that moneys are appropriated under  
12 13 this section, the board shall allocate a percentage of  
12 14 the moneys for each of the following types of  
12 15 activities:

- 12 16 a. Business start-ups.
- 12 17 b. Business expansion.
- 12 18 c. Business modernization.
- 12 19 d. Business attraction.
- 12 20 e. Business retention.
- 12 21 f. Marketing.

12 22 4. An applicant for moneys appropriated under this  
12 23 section shall be required by the department to include  
12 24 in the application a statement regarding the intended  
12 25 return on investment. A recipient of moneys  
12 26 appropriated under this section shall annually submit  
12 27 a statement to the department regarding the progress  
12 28 achieved on the intended return on investment stated  
12 29 in the application. The department, in cooperation  
12 30 with the department of revenue and finance, shall  
12 31 develop a method of identifying and tracking each new  
12 32 job created through financial assistance from moneys  
12 33 appropriated under this section.

12 34 5. Of the moneys appropriated under this section,  
12 35 at least \$50,000,000 shall be used for value-added  
12 36 agricultural purposes as set out in section 15E.111.

12 37 6. The department may use moneys appropriated  
12 38 under this section to procure technical assistance  
12 39 from either the public or private sector, for  
12 40 information technology purposes, and for rail, air, or  
12 41 river port transportation-related purposes. The use  
12 42 of moneys appropriated for rail, air, or river port  
12 43 transportation-related purposes must be directly  
12 44 related to an economic development project and the  
12 45 moneys must be used to leverage other financial  
12 46 assistance moneys.

12 47 7. Of the moneys appropriated under this section,  
12 48 the department may use one-quarter of one percent for  
12 49 administrative purposes.

12 50 8. The entities required to approve applications  
13 1 for financial assistance from moneys appropriated  
13 2 under this section shall be as follows:

13 3 a. For financial assistance totaling one million  
13 4 dollars or less, the department of economic  
13 5 development shall approve, deny, or defer the  
13 6 application.

13 7 b. For financial assistance totaling between one  
13 8 million dollars and three million dollars, the  
13 9 executive council of the Iowa values board shall  
13 10 approve, deny, or defer the application.

13 11 c. For financial assistance totaling three million  
13 12 dollars or more, the Iowa values board shall approve,  
13 13 deny, or defer the application.

13 14 9. Of the moneys appropriated under this section  
13 15 for the fiscal year beginning July 1, 2003, and ending  
13 16 June 30, 2004, up to \$10,000,000 is allocated to the  
13 17 tax-exempt bond proceeds restricted capital funds  
13 18 account of the tobacco settlement trust fund to  
13 19 replenish moneys appropriated and expended pursuant to  
13 20 2003 Iowa Acts, House File 453, if enacted. Of the  
13 21 moneys appropriated under this section for the fiscal  
13 22 year beginning July 1, 2004, and ending June 30, 2005,  
13 23 up to \$10,000,000 is allocated to the rebuild Iowa  
13 24 infrastructure fund to replenish moneys appropriated  
13 25 and expended pursuant to 2003 Iowa Acts, House File  
13 26 453, if enacted.

13 27 Sec. \_\_\_\_ COMMUNITY ATTRACTION AND TOURISM FUND  
13 28 APPROPRIATION.

13 29 1. There is appropriated from the Iowa values fund  
13 30 created in section 15G.105 to the office of the  
13 31 treasurer of state for the fiscal period beginning  
13 32 July 1, 2004, and ending June 30, 2007, the following  
13 33 amounts, or so much thereof as is necessary, to be  
13 34 used for the purpose designated:

13 35 For deposit in the community attraction and tourism  
13 36 fund created in section 15F.204:

13 37 FY 2004=2005.....	\$ 15,000,000
13 38 FY 2005=2006.....	\$ 15,000,000
13 39 FY 2006=2007.....	\$ 15,000,000

13 40 2. Notwithstanding section 8.33, moneys that  
13 41 remain unexpended at the end of a fiscal year shall  
13 42 not revert to any fund but shall remain available for

13 43 expenditure for the designated purposes during the  
13 44 succeeding fiscal year.  
13 45 3. Not more than \$2,500,000 of the moneys  
13 46 appropriated each fiscal year under this section shall  
13 47 be used for trails and bicycle facilities located in  
13 48 or connecting to cultural and entertainment districts  
13 49 certified under section 303.3B.

13 50 4. When awarding moneys appropriated under this  
14 1 section, the vision Iowa board shall give the  
14 2 consideration in section 15F.203, subsection 3,  
14 3 paragraph "c", priority over the other listed  
14 4 considerations listed in section 15F.203, subsection  
14 5 3.

14 6 Sec. \_\_\_\_ IOWA CULTURAL TRUST FUND APPROPRIATION.

14 7 1. There is appropriated from the Iowa values fund  
14 8 created in section 15G.105 to the office of the  
14 9 treasurer of state, for the fiscal year beginning July  
14 10 1, 2003, and ending June 30, 2004, the following  
14 11 amount, or so much thereof as is necessary, to be used  
14 12 for the purpose designated:

14 13 For deposit in the Iowa cultural trust fund created  
14 14 in section 303A.4:

14 15 ..... \$ 5,000,000

14 16 2. Notwithstanding section 8.33, moneys that  
14 17 remain unexpended at the end of a fiscal year shall  
14 18 not revert to any fund but shall remain available for  
14 19 expenditure for the designated purposes during the  
14 20 succeeding fiscal year.

14 21 Sec. \_\_\_\_ SECURE AN ADVANCED VISION FOR EDUCATION  
14 22 FUND APPROPRIATION.

14 23 1. There is appropriated from the Iowa values fund  
14 24 created in section 15G.105 to the department of  
14 25 revenue and finance, for the fiscal year beginning  
14 26 July 1, 2003, and ending June 30, 2004, the following  
14 27 amount, or so much thereof as is necessary, to be used  
14 28 for the purpose designated:

14 29 For deposit in the secure an advanced vision for  
14 30 education fund created in section 422E.3A, if enacted  
14 31 by 2003 Iowa Acts, Senate File 445:

14 32 ..... \$250,000,000

14 33 2. Notwithstanding section 8.33, moneys that  
14 34 remain unexpended at the end of a fiscal year shall  
14 35 not revert to any fund but shall remain available for  
14 36 expenditure for the designated purposes during the  
14 37 succeeding fiscal year.

14 38 Sec. \_\_\_\_ UNIVERSITY AND COLLEGE FINANCIAL  
14 39 ASSISTANCE APPROPRIATION.

14 40 1. There is appropriated from the Iowa values fund  
14 41 created in section 15G.105 to the Iowa values board  
14 42 for the fiscal year beginning July 1, 2003, and ending  
14 43 June 30, 2004, the following amounts, or so much  
14 44 thereof as is necessary, to be used for the purpose  
14 45 designated:

14 46 For financial assistance for institutions of higher  
14 47 learning under the control of the state board of  
14 48 regents and for accredited private institutions as  
14 49 defined in section 261.9 for accelerating new business  
14 50 creation, a national center for food safety and  
15 1 security, innovation accelerators and business parks,  
15 2 incubator facilities, transgenic animal facilities,  
15 3 transgenic plant facilities, protein extraction  
15 4 facilities, containment facilities, and bioanalytical,  
15 5 biochemical, chemical, and microbiological support  
15 6 facilities:

15 7 ..... \$ 50,000,000

15 8 2. Notwithstanding section 8.33, moneys that  
15 9 remain unexpended at the end of a fiscal year shall  
15 10 not revert to any fund but shall remain available for  
15 11 expenditure for the designated purposes during the  
15 12 succeeding fiscal year.

15 13 3. In the distribution of moneys appropriated  
15 14 pursuant to this section, the Iowa values board shall  
15 15 examine the potential for using moneys appropriated  
15 16 pursuant to this section to leverage other moneys for  
15 17 financial assistance to accredited private  
15 18 institutions.

15 19 4. Of the moneys appropriated under this section  
15 20 and provided applications are submitted meeting the  
15 21 requirements of the Iowa values board, not less than  
15 22 \$10,000,000 in financial assistance shall be awarded  
15 23 to the university of Iowa, not less than \$10,000,000

15 24 in financial assistance shall be awarded to Iowa state  
15 25 university of science and technology, and not less  
15 26 than \$5,000,000 in financial assistance shall be  
15 27 awarded to the university of northern Iowa.

15 28 Sec. \_\_\_\_ REHABILITATION PROJECT TAX CREDITS  
15 29 APPROPRIATION.

15 30 1. There is appropriated from the Iowa values fund  
15 31 created in section 15G.105 to the general fund of the  
15 32 state, for the fiscal period beginning July 1, 2003,  
15 33 and ending June 30, 2005, the following amounts, or so  
15 34 much thereof as is necessary, to be used for the  
15 35 purpose designated:

15 36 For payment of tax credits approved pursuant to  
15 37 section 404A.4 for projects located in certified  
15 38 cultural and entertainment districts:  
15 39 FY 2003=2004..... \$ 2,000,000  
15 40 FY 2004=2005..... \$ 2,000,000

15 41 2. Notwithstanding section 8.33, moneys that  
15 42 remain unexpended at the end of a fiscal year shall  
15 43 not revert to any fund but shall remain available for  
15 44 expenditure for the designated purposes during the  
15 45 succeeding fiscal year.

15 46 Sec. \_\_\_\_ ENDOW IOWA TAX CREDITS.

15 47 1. There is appropriated from the Iowa values fund  
15 48 created in section 15G.105 to the general fund of the  
15 49 state, for the fiscal year beginning July 1, 2003, and  
15 50 ending June 30, 2004, the following amount, or so much  
16 1 thereof as is necessary, to be used for the purpose  
16 2 designated:

16 3 For payment of endow Iowa tax credits authorized  
16 4 pursuant to section 15E.225:  
16 5 ..... \$ 2,000,000

16 6 2. Notwithstanding section 8.33, moneys that  
16 7 remain unexpended at the end of a fiscal year shall  
16 8 not revert to any fund but shall remain available for  
16 9 expenditure for the designated purposes during the  
16 10 succeeding fiscal year.

16 11 Sec. \_\_\_\_ ENDOW IOWA GRANTS APPROPRIATION.

16 12 1. There is appropriated from the Iowa values fund  
16 13 created in section 15G.105 to the department of  
16 14 economic development for the fiscal year beginning  
16 15 July 1, 2003, and ending June 30, 2004, the following  
16 16 amount, or so much thereof as is necessary, to be used  
16 17 for the purpose designated:

16 18 For endow Iowa grants to lead philanthropic  
16 19 entities pursuant to section 15E.224:  
16 20 ..... \$2,000,000

16 21 2. Notwithstanding section 8.33, moneys that  
16 22 remain unexpended at the end of a fiscal year shall  
16 23 not revert to any fund but shall remain available for  
16 24 expenditure for the designated purposes during the  
16 25 succeeding fiscal year.

16 26 Sec. \_\_\_\_ STATE PARKS AND DESTINATION PARKS  
16 27 APPROPRIATION.

16 28 1. There is appropriated from the Iowa values fund  
16 29 created in section 15G.105 to the Iowa values board  
16 30 for the fiscal year beginning July 1, 2003, and ending  
16 31 June 30, 2004, the following amount, or so much  
16 32 thereof as is necessary, to be used for the purpose  
16 33 designated:

16 34 For the purpose of providing financial assistance  
16 35 for projects in targeted state parks and destination  
16 36 parks:  
16 37 FY 2003=2004..... \$ 7,000,000

16 38 2. Notwithstanding section 8.33, moneys that  
16 39 remain unexpended at the end of a fiscal year shall  
16 40 not revert to any fund but shall remain available for  
16 41 expenditure for the designated purposes during the  
16 42 succeeding fiscal year.

16 43 3. The department of natural resources, in  
16 44 cooperation with the department of economic  
16 45 development, shall submit a plan to the Iowa values  
16 46 board for the expenditure of moneys appropriated under  
16 47 this section. The plan shall focus on improving state  
16 48 parks and destination parks for economic development  
16 49 purposes. Based on the report submitted, the Iowa  
16 50 values board shall provide financial assistance to the  
17 1 department of natural resources for support of state  
17 2 parks and destination parks.

17 3 Sec. \_\_\_\_ ECONOMIC DEVELOPMENT REGION FINANCIAL  
17 4 ASSISTANCE APPROPRIATION.

17 5 1. There is appropriated from the Iowa values fund  
17 6 created in section 15G.105 to the department of  
17 7 economic development for the fiscal year beginning  
17 8 July 1, 2003, and ending June 30, 2004, the following  
17 9 amount, or so much thereof as is necessary, to be used  
17 10 for the purpose designated:

17 11 For providing financial assistance under section  
17 12 15E.232, subsections 3, 4, 5, and 6 and under section  
17 13 15E.233:  
17 14 ..... \$ 20,000,000

17 15 2. Notwithstanding section 8.33, moneys that  
17 16 remain unexpended at the end of a fiscal year shall  
17 17 not revert to any fund but shall remain available for  
17 18 expenditure for the designated purposes during the  
17 19 succeeding fiscal year.

17 20 3. The entities required to approve applications  
17 21 for financial assistance from moneys appropriated  
17 22 under this section shall be as follows:

17 23 a. For projects totaling one million dollars or  
17 24 less, the department of economic development shall  
17 25 approve, deny, or defer the application.

17 26 b. For projects totaling between one million  
17 27 dollars and three million dollars, the executive  
17 28 council of the Iowa values board shall approve, deny,  
17 29 or defer the application.

17 30 c. For projects totaling three million dollars or  
17 31 more, the Iowa values board shall approve, deny, or  
17 32 defer the application.

17 33 Sec. \_\_\_\_ ECONOMIC DEVELOPMENT REGION REVOLVING  
17 34 FUND CONTRIBUTION TAX CREDITS APPROPRIATION.

17 35 1. There is appropriated from the Iowa values fund  
17 36 created in section 15G.105 to the general fund of the  
17 37 state, for the fiscal period beginning July 1, 2003,  
17 38 and ending June 30, 2008, the following amounts, or so  
17 39 much thereof as is necessary, to be used for the  
17 40 purpose designated:

17 41 For payment of tax credits and payments to  
17 42 contributors approved pursuant to section 15E.232  
17 43 approved pursuant to section 15E.232:

17 44 FY 2003=2004..... \$ 4,000,000  
17 45 FY 2004=2005..... \$ 4,000,000  
17 46 FY 2005=2006..... \$ 4,000,000  
17 47 FY 2006=2007..... \$ 4,000,000  
17 48 FY 2007=2008..... \$ 4,000,000

17 49 2. Notwithstanding section 8.33, moneys that  
17 50 remain unexpended at the end of a fiscal year shall  
18 1 not revert to any fund but shall remain available for  
18 2 expenditure for the designated purposes during the  
18 3 succeeding fiscal year.

18 4 3. Any moneys appropriated under this section that  
18 5 remain unobligated on June 30, 2008, shall be used for  
18 6 providing financial assistance under section 15E.232,  
18 7 subsections 3, 4, 5, and 6, for the fiscal year  
18 8 beginning July 1, 2008.

18 9 DIVISION II  
18 10 VALUE=ADDED AGRICULTURAL PRODUCTS AND PROCESSES  
18 11 FINANCIAL ASSISTANCE PROGRAM

18 12 Sec. \_\_\_\_ Section 15E.111, subsection 1, Code  
18 13 2003, is amended to read as follows:

18 14 1. a. The department shall establish a value=  
18 15 added agricultural products and processes financial  
18 16 assistance program. The department shall consult with  
18 17 ~~the Iowa corn growers association and the Iowa soybean~~  
18 18 ~~association Iowa commodity groups.~~ The purpose of the  
18 19 program is to encourage the increased utilization of  
18 20 agricultural commodities produced in this state. The  
18 21 program shall assist in efforts to revitalize rural  
18 22 regions of this state, by committing resources to  
18 23 provide financial assistance to new or existing value=  
18 24 added production facilities. The department of  
18 25 economic development may consult with other state

18 26 agencies regarding any possible future environmental,  
18 27 health, or safety issues linked to technology related  
18 28 to the biotechnology industry. In awarding financial

18 29 assistance, the department shall prefer producer=  
18 30 owned, value=added businesses and commit resources to  
18 31 assist the following:

18 32 a- (1) Facilities which are involved in the  
18 33 development of new innovative products and processes  
18 34 related to agriculture. The facility must do either  
18 35 of the following: produce a good derived from an

18 36 agricultural commodity, if the good is not commonly  
18 37 produced from an agricultural commodity; or use a  
18 38 process to produce a good derived from an agricultural  
18 39 process, if the process is not commonly used to  
18 40 produce the good.

18 41 ~~b.~~ (2) Renewable fuel production facilities. As  
18 42 used in this section, "renewable fuel" means an energy  
18 43 source which is derived from an organic compound  
18 44 capable of powering machinery, including an engine or  
18 45 power plant.

18 46 (3) Agricultural business facilities in the  
18 47 agricultural biotechnology industry, agricultural  
18 48 biomass industry, and alternative energy industry.  
18 49 For purposes of this subsection:

18 50 (a) "Agricultural biomass industry" means  
19 1 businesses that utilize agricultural commodity crops,  
19 2 agricultural by-products, or animal feedstock in the  
19 3 production of chemicals, protein products, or other  
19 4 high-value products.

19 5 (b) "Agricultural biotechnology industry" means  
19 6 businesses that utilize scientifically enhanced plants  
19 7 or animals that can be raised by producers and used in  
19 8 the production of high-value products.

19 9 (c) "Alternative energy industry" includes  
19 10 businesses involved in the production of ethanol,  
19 11 biodiesel, biomass, or in the production of wind  
19 12 energy.

19 13 (4) Facilities that add value to Iowa agricultural  
19 14 commodities through further processing and development  
19 15 of organic products and emerging markets.

19 16 (5) Producer-owned, value-added businesses,  
19 17 education of producers and management boards in value=  
19 18 added businesses, and other activities that would  
19 19 support the infrastructure in the development of  
19 20 value-added agriculture. For purposes of this  
19 21 subsection, "producer-owned, valued-added business"  
19 22 means a person who holds an equity interest in the  
19 23 agricultural business and is personally involved in  
19 24 the production of crops or livestock on a regular,  
19 25 continuous, and substantial basis.

19 26 ~~b.~~ Financial assistance awarded under this section  
19 27 may be in the form of a loan, loan guarantee, grant,  
19 28 production incentive payment, or a combination of  
19 29 financial assistance. The department shall not award  
19 30 more than twenty-five percent of the amount allocated  
19 31 to the value-added agricultural products and processes  
19 32 financial assistance fund during any fiscal year to  
19 33 support a single person. The department may finance  
19 34 any size of facility. However, the department ~~shall~~  
19 35 may reserve up to fifty percent of the total amount  
19 36 allocated to the fund, for purposes of assisting  
19 37 persons requiring ~~one~~ five hundred thousand dollars or  
19 38 less in financial assistance. The amount shall be  
19 39 reserved until the end of the third quarter of the  
19 40 fiscal year. The department shall not provide  
19 41 financial assistance to support a value-added  
19 42 production facility if the facility or a person owning  
19 43 a controlling interest in the facility has  
19 44 demonstrated a continuous and flagrant disregard for  
19 45 the health and safety of its employees or the quality  
19 46 of the environment. Evidence of such disregard shall  
19 47 include a history of serious or uncorrected violations  
19 48 of state or federal law protecting occupational health  
19 49 and safety or the environment, including but not  
19 50 limited to serious or uncorrected violations of  
20 1 occupational safety and health standards enforced by  
20 2 the division of labor services of the department of  
20 3 workforce development pursuant to chapter 84A, or  
20 4 rules enforced by the department of natural resources  
20 5 pursuant to chapter 455B or 459, subchapters II and  
20 6 III.

#### 20 7 DIVISION III

#### 20 8 ENDOW IOWA GRANTS AND TAX CREDITS

20 9 Sec. \_\_\_\_ NEW SECTION. 15E.221 SHORT TITLE.

20 10 This division shall be known as and may be cited as  
20 11 the "Endow Iowa Program Act".

20 12 Sec. \_\_\_\_ NEW SECTION. 15E.222 PURPOSE.

20 13 The purpose of this division is to enhance the  
20 14 quality of life for citizens of this state through  
20 15 increased philanthropic activity by providing capital  
20 16 to new and existing citizen groups of this state

20 17 organized to establish endowment funds that will  
20 18 address community needs. The purpose of this division  
20 19 is also to encourage individuals, businesses, and  
20 20 organizations to invest in community foundations.  
20 21 Sec. \_\_\_\_\_. NEW SECTION. 15E.223 DEFINITIONS.  
20 22 As used in this division, unless the context  
20 23 otherwise requires:  
20 24 1. "Board" means the governing board of the lead  
20 25 philanthropic entity identified by the department  
20 26 pursuant to section 15E.224.  
20 27 2. "Business" means a business operating within  
20 28 the state and includes individuals operating a sole  
20 29 proprietorship or having rental, royalty, or farm  
20 30 income in this state and includes a consortium of  
20 31 businesses.  
20 32 3. "Community affiliate organization" means a  
20 33 group of five or more community leaders or advocates  
20 34 organized for the purpose of increasing philanthropic  
20 35 activity in an identified community or geographic area  
20 36 in this state with the intention of establishing a  
20 37 community affiliate endowment fund.  
20 38 4. "Endowment gift" means an irrevocable  
20 39 contribution to a permanent endowment held by a  
20 40 qualified community foundation.  
20 41 5. "Lead philanthropic entity" means the entity  
20 42 identified by the department pursuant to section  
20 43 15E.224.  
20 44 6. "Qualified community foundation" means a  
20 45 community foundation organized or operating in this  
20 46 state that meets or exceeds the national standards  
20 47 established by the national council on foundations.  
20 48 Sec. \_\_\_\_\_. NEW SECTION. 15E.224 ENDOW IOWA  
20 49 GRANTS.  
20 50 1. The department shall identify a lead  
21 1 philanthropic entity for purposes of encouraging the  
21 2 development of qualified community foundations in this  
21 3 state. A lead philanthropic entity shall meet all of  
21 4 the following qualifications:  
21 5 a. The entity shall be a nonprofit entity which is  
21 6 exempt from federal income taxation pursuant to  
21 7 section 501(c)(3) of the Internal Revenue Code.  
21 8 b. The entity shall be a statewide organization  
21 9 with membership consisting of organizations, such as  
21 10 community, corporate, and private foundations, whose  
21 11 principal function is the making of grants within the  
21 12 state of Iowa.  
21 13 c. The entity shall have a minimum of forty  
21 14 members and that membership shall include qualified  
21 15 community foundations.  
21 16 2. A lead philanthropic entity may receive a grant  
21 17 from the department. The board shall use the grant  
21 18 moneys to award endow Iowa grants to new and existing  
21 19 qualified community foundations and to community  
21 20 affiliate organizations that do all of the following:  
21 21 a. Provide the board with all information required  
21 22 by the board.  
21 23 b. Demonstrate a dollar-for-dollar funding match  
21 24 in a form approved by the board.  
21 25 c. Identify a qualified community foundation to  
21 26 hold all funds. A qualified community foundation  
21 27 shall not be required to meet this requirement.  
21 28 d. Provide a plan to the board demonstrating the  
21 29 method for distributing grant moneys received from the  
21 30 board to organizations within the community or  
21 31 geographic area as defined by the qualified community  
21 32 foundation or the community affiliate organization.  
21 33 3. Endow Iowa grants awarded to new and existing  
21 34 qualified community foundations and to community  
21 35 affiliate organizations shall not exceed twenty-five  
21 36 thousand dollars per foundation or organization unless  
21 37 a foundation or organization demonstrates a multiple  
21 38 county or regional approach. Endow Iowa grants may be  
21 39 awarded on an annual basis with not more than three  
21 40 grants going to one county in a fiscal year.  
21 41 4. In ranking applications for grants, the board  
21 42 shall consider a variety of factors including the  
21 43 following:  
21 44 a. The demonstrated need for financial assistance.  
21 45 b. The potential for future philanthropic activity  
21 46 in the area represented by or being considered for  
21 47 assistance.

21 48 c. The proportion of the funding match being  
21 49 provided.

21 50 d. For community affiliate organizations, the  
22 1 demonstrated need for the creation of a community  
22 2 affiliate endowment fund in the applicant's geographic  
22 3 area.

22 4 e. The identification of community needs and the  
22 5 manner in which additional funding will address those  
22 6 needs.

22 7 f. The geographic diversity of awards.

22 8 5. Of any moneys received by a lead philanthropic  
22 9 entity from the state, not more than five percent of  
22 10 such moneys shall be used by the entity for  
22 11 administrative purposes.

22 12 Sec. \_\_\_\_\_. NEW SECTION. 15E.225 ENDOW IOWA TAX  
22 13 CREDIT.

22 14 1. For tax years beginning on or after January 1,  
22 15 2003, a tax credit shall be allowed against the taxes  
22 16 imposed in chapter 422, divisions II, III, and V, and  
22 17 in chapter 432, and against the moneys and credits tax  
22 18 imposed in section 533.24 equal to twenty percent of a  
22 19 taxpayer's endowment gift to a qualified community  
22 20 foundation. An individual may claim a tax credit  
22 21 under this section of a partnership, limited liability  
22 22 company, S corporation, estate, or trust electing to  
22 23 have income taxed directly to the individual. The  
22 24 amount claimed by the individual shall be based upon  
22 25 the pro rata share of the individual's earnings from  
22 26 the partnership, limited liability company, S  
22 27 corporation, estate, or trust. A tax credit shall be  
22 28 allowed only for an endowment gift made to a qualified  
22 29 community foundation for a permanent endowment fund  
22 30 established to benefit a charitable cause in this  
22 31 state. Any tax credit in excess of the taxpayer's tax  
22 32 liability for the tax year may be credited to the tax  
22 33 liability for the following five years or until  
22 34 depleted, whichever occurs first. A tax credit shall  
22 35 not be carried back to a tax year prior to the tax  
22 36 year in which the taxpayer claims the tax credit.

22 37 2. The aggregate amount of tax credits authorized  
22 38 pursuant to this section shall not exceed a total of  
22 39 two million dollars. The maximum amount of tax  
22 40 credits granted to a taxpayer shall not exceed five  
22 41 percent of the aggregate amount of tax credits  
22 42 authorized.

22 43 3. A tax credit shall not be transferable to any  
22 44 other taxpayer.

22 45 4. A tax credit shall not be authorized pursuant  
22 46 to this section after December 31, 2005.

22 47 5. The department shall develop a system for  
22 48 registration and authorization of tax credits under  
22 49 this section and shall control the distribution of all  
22 50 tax credits to taxpayers providing an endowment gift  
23 1 subject to this section. The department shall adopt  
23 2 administrative rules pursuant to chapter 17A for the  
23 3 qualification and administration of endowment gifts.

23 4 Sec. \_\_\_\_\_. NEW SECTION. 15E.226 REPORTS ==  
23 5 AUDITS.

23 6 By January 31 of each year, the lead philanthropic  
23 7 entity, in cooperation with the department, shall  
23 8 publish an annual report of the activities conducted  
23 9 pursuant to this division during the previous calendar  
23 10 year and shall submit the report to the governor and  
23 11 the general assembly. The annual report shall include  
23 12 a listing of endowment funds and the amount of tax  
23 13 credits authorized by the department.

23 14 Sec. \_\_\_\_\_. NEW SECTION. 422.11H ENDOW IOWA TAX  
23 15 CREDIT.

23 16 The tax imposed under this division, less the  
23 17 credits allowed under sections 422.12 and 422.12B,  
23 18 shall be reduced by an endow Iowa tax credit  
23 19 authorized pursuant to section 15E.225.

23 20 Sec. \_\_\_\_\_. Section 422.33, Code 2003, is amended by  
23 21 adding the following new subsection:  
23 22 NEW SUBSECTION. 14. The taxes imposed under this  
23 23 division shall be reduced by an endow Iowa tax credit  
23 24 authorized pursuant to section 15E.225.

23 25 Sec. \_\_\_\_\_. Section 422.60, Code 2003, is amended by  
23 26 adding the following new subsection:  
23 27 NEW SUBSECTION. 7. The taxes imposed under this  
23 28 division shall be reduced by an endow Iowa tax credit

23 29 authorized pursuant to section 15E.225.  
23 30 Sec. \_\_\_\_\_. NEW SECTION. 432.12D ENDOW IOWA TAX  
23 31 CREDIT.  
23 32 The tax imposed under this chapter shall be reduced  
23 33 by an endow Iowa tax credit authorized pursuant to  
23 34 section 15E.225.  
23 35 Sec. \_\_\_\_\_. Section 533.24, Code 2003, is amended by  
23 36 adding the following new unnumbered paragraph:  
23 37 NEW UNNUMBERED PARAGRAPH. The moneys and credits  
23 38 tax imposed under this section shall be reduced by an  
23 39 endow Iowa tax credit authorized pursuant to section  
23 40 15E.225.  
23 41 Sec. \_\_\_\_\_. EFFECTIVE AND RETROACTIVE APPLICABILITY  
23 42 DATES. This division of this Act, being deemed of  
23 43 immediate importance, takes effect upon enactment and  
23 44 is retroactively applicable to January 1, 2003, for  
23 45 tax years beginning on or after that date.  
23 46 DIVISION IV  
23 47 ECONOMIC DEVELOPMENT REGIONS  
23 48 Sec. \_\_\_\_\_. NEW SECTION. 15E.231 ECONOMIC  
23 49 DEVELOPMENT REGIONS.  
23 50 1. In order for an economic development region to  
24 1 receive moneys from the Iowa values fund created in  
24 2 section 15G.105, the organization of an economic  
24 3 development region must be approved by the Iowa values  
24 4 board established in section 15G.103. The board shall  
24 5 approve an economic development region that meets the  
24 6 following criteria:  
24 7 a. The region consists of not less than three  
24 8 contiguous counties. Upon the recommendation of the  
24 9 director of the department of economic development,  
24 10 this paragraph may be waived by the board.  
24 11 b. The region establishes a single, focused  
24 12 economic development effort, approved by the board,  
24 13 that shall include the development of a regional  
24 14 development plan and regional marketing strategies.  
24 15 Regional marketing strategies must be focused on  
24 16 marketing the region collectively.  
24 17 2. An approved economic development region may  
24 18 create an economic development region revolving fund  
24 19 as provided in section 15E.232.  
24 20 Sec. \_\_\_\_\_. NEW SECTION. 15E.232 ECONOMIC  
24 21 DEVELOPMENT REGION REVOLVING FUNDS == TAX CREDITS.  
24 22 1. An economic development region approved  
24 23 pursuant to section 15E.231 may create an economic  
24 24 development region revolving fund.  
24 25 2. a. A nongovernmental entity making a  
24 26 contribution to an economic development region  
24 27 revolving fund at any time prior to July 1, 2008,  
24 28 except those described in paragraph "b", may claim a  
24 29 tax credit equal to twenty percent of the amount  
24 30 contributed to the revolving fund. The tax credit  
24 31 shall be allowed against taxes imposed in chapter 422,  
24 32 divisions II, III, and V, and in chapter 432, and  
24 33 against the moneys and credits tax imposed in section  
24 34 533.24. An individual may claim under this subsection  
24 35 the tax credit of a partnership, limited liability  
24 36 company, S corporation, estate, or trust electing to  
24 37 have income taxed directly to the individual. The  
24 38 amount claimed by the individual shall be based upon  
24 39 the pro rata share of the individual's earnings from  
24 40 the partnership, limited liability company, S  
24 41 corporation, estate, or trust. Any tax credit in  
24 42 excess of the taxpayer's liability for the tax year  
24 43 may be credited to the tax liability for the following  
24 44 seven years or until depleted, whichever occurs first.  
24 45 A tax credit shall not be carried back to a tax year  
24 46 prior to the tax year in which the taxpayer redeems  
24 47 the tax credit. A tax credit under this section is  
24 48 not transferable.  
24 49 b. Subject to the provisions of paragraph "c", an  
24 50 organization exempt from federal income tax pursuant  
25 1 to section 501(c) of the Internal Revenue Code making  
25 2 a contribution to an economic development region  
25 3 revolving fund at any time prior to July 1, 2008,  
25 4 shall be paid from the general fund of the state an  
25 5 amount equal to twenty percent of such contributed  
25 6 amount within thirty days after the end of the fiscal  
25 7 year during which the contribution was made.  
25 8 c. The aggregate amount of tax credits and  
25 9 payments to contributors, referred to as the credit

25 10 amount, authorized pursuant to this subsection shall  
25 11 not total more than twenty million dollars. The total  
25 12 credit amount authorized during a fiscal year shall  
25 13 not exceed four million dollars plus any unused credit  
25 14 amount carried over from previous years. Any credit  
25 15 amount which remains unused for a fiscal year may be  
25 16 carried forward to the succeeding fiscal year. The  
25 17 maximum credit amount that may be authorized in a  
25 18 fiscal year for contributions made to a specific  
25 19 economic development region revolving fund is equal to  
25 20 four million dollars plus any unused credit amount  
25 21 carried over from previous years divided by the number  
25 22 of economic development region revolving funds  
25 23 existing in the state.

25 24 d. The department of economic development shall  
25 25 administer the authorization of tax credits under this  
25 26 section and payments to contributors described in  
25 27 paragraph "b" and shall, in cooperation with the  
25 28 department of revenue and finance, adopt rules  
25 29 pursuant to chapter 17A necessary for the  
25 30 administration of this section.

25 31 3. An approved economic development region may  
25 32 apply for financial assistance from the Iowa values  
25 33 fund to assist with physical infrastructure needs  
25 34 related to a specific business partner. In order to  
25 35 receive financial assistance pursuant to this  
25 36 subsection, the economic development region must  
25 37 demonstrate all of the following:

25 38 a. The ability to provide matching moneys on a one  
25 39 to one basis.

25 40 b. The commitment of the specific business  
25 41 partner.

25 42 c. That all other funding alternatives have been  
25 43 exhausted.

25 44 4. An approved economic development region may  
25 45 apply for financial assistance from the Iowa values  
25 46 fund to assist an existing business located in the  
25 47 economic development region impacted by business  
25 48 consolidation actions. Business consolidation actions  
25 49 include a substantial or total closure of an existing  
25 50 business due to consolidating the existing business  
26 1 out of state. In order to receive financial  
26 2 assistance pursuant to this subsection, the economic  
26 3 development region must demonstrate the ability to  
26 4 provide matching moneys on a one-to-one basis.

26 5 5. An approved economic development region may  
26 6 apply for financial assistance to implement economic  
26 7 development initiatives unique to the region. In  
26 8 order to receive financial assistance pursuant to this  
26 9 subsection, the economic development region must  
26 10 demonstrate the ability to provide matching moneys on  
26 11 a one-to-one basis.

26 12 6. An approved economic development region may  
26 13 apply for financial assistance to implement innovative  
26 14 initiatives that do not qualify for assistance under  
26 15 subsection 5.

26 16 7. The board may establish and administer a  
26 17 regional economic development revenue sharing pilot  
26 18 project for one or more regions. The board shall take  
26 19 into consideration the geographical disbursement of  
26 20 the pilot projects. The department of economic  
26 21 development shall provide technical assistance to the  
26 22 regions participating in a pilot project.

26 23 8. Financial assistance under subsections 3, 4, 5,  
26 24 and 6 and section 15E.233 shall be limited to a total  
26 25 of thirty million dollars.

26 26 Sec.     . NEW SECTION. 15E.233 ECONOMICALLY  
26 27 ISOLATED AREAS.

26 28 1. An approved economic development region may  
26 29 apply to the Iowa values board for approval to be  
26 30 designated as an economically isolated area based on  
26 31 criteria as determined by the board. An economically  
26 32 isolated area must consist of at least one county  
26 33 meeting the county distress criteria provided in  
26 34 section 15E.194. The board shall approve no more than  
26 35 five regions as economically isolated areas.

26 36 2. An approved economically isolated area may  
26 37 apply to the department of economic development for  
26 38 financial assistance of up to seven hundred fifty  
26 39 thousand dollars over a five-year period for purposes  
26 40 of economic development-related marketing assistance

26 41 for the area. In order to receive financial  
26 42 assistance pursuant to this subsection, the  
26 43 economically isolated area must demonstrate the  
26 44 ability to provide matching moneys on a one-to-one  
26 45 basis.

26 46 Sec. \_\_\_\_\_. NEW SECTION. 422.11I ECONOMIC  
26 47 DEVELOPMENT REGION REVOLVING FUND TAX CREDIT.

26 48 The taxes imposed under this division, less the  
26 49 credits allowed under sections 422.12 and 422.12B,  
26 50 shall be reduced by an economic development region  
27 1 revolving fund contribution tax credit authorized  
27 2 pursuant to section 15E.232.

27 3 Sec. \_\_\_\_\_. Section 422.33, Code 2003, is amended by  
27 4 adding the following new subsection:

27 5 NEW SUBSECTION. 15. The taxes imposed under this  
27 6 division shall be reduced by an economic development  
27 7 region revolving fund contribution tax credit  
27 8 authorized pursuant to section 15E.232.

27 9 Sec. \_\_\_\_\_. Section 422.60, Code 2003, is amended by  
27 10 adding the following new subsection:

27 11 NEW SUBSECTION. 8. The taxes imposed under this  
27 12 division shall be reduced by an economic development  
27 13 region revolving fund contribution tax credit  
27 14 authorized pursuant to section 15E.232.

27 15 Sec. \_\_\_\_\_. NEW SECTION. 432.12E ECONOMIC  
27 16 DEVELOPMENT REGION REVOLVING FUND CONTRIBUTION TAX  
27 17 CREDITS.

27 18 The tax imposed under this chapter shall be reduced  
27 19 by an economic development region tax credit  
27 20 authorized pursuant to section 15E.232.

27 21 Sec. \_\_\_\_\_. Section 533.24, Code 2003, is amended by  
27 22 adding the following new unnumbered paragraph after  
27 23 unnumbered paragraph 4:

27 24 NEW UNNUMBERED PARAGRAPH. The moneys and credits  
27 25 tax imposed under this section shall be reduced by an  
27 26 economic development region revolving fund  
27 27 contribution tax credit authorized pursuant to section  
27 28 15E.232.

#### 27 29 DIVISION V

#### 27 30 WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT FUNDS

27 31 Sec. \_\_\_\_\_. NEW SECTION. 260C.18A WORKFORCE  
27 32 TRAINING AND ECONOMIC DEVELOPMENT FUNDS.

27 33 1. a. A workforce training and economic  
27 34 development fund is created for each community  
27 35 college. Moneys shall be deposited and expended from  
27 36 a fund as provided under this section.

27 37 b. Moneys in the funds shall consist of any moneys  
27 38 appropriated by the general assembly and any other  
27 39 moneys available to and obtained or accepted by the  
27 40 department of economic development from federal  
27 41 sources or private sources for placement in the funds.  
27 42 Notwithstanding section 8.33, moneys in the funds at  
27 43 the end of each fiscal year shall not revert to any  
27 44 other fund but shall remain in the funds for  
27 45 expenditure in subsequent fiscal years.

27 46 2. On July 1 of each year for the fiscal year  
27 47 beginning July 1, 2003, and for every fiscal year  
27 48 thereafter, moneys from the Iowa values fund created  
27 49 in section 15G.105 are appropriated to the department  
27 50 of economic development for deposit in the workforce  
28 1 training and economic development funds in amounts  
28 2 determined pursuant to subsection 3. Moneys deposited  
28 3 in the funds and disbursed to community colleges for a  
28 4 fiscal year shall be expended for the following  
28 5 purposes, provided seventy percent of the moneys shall  
28 6 be used on projects in the areas of advanced  
28 7 manufacturing, information technology and insurance,  
28 8 and life sciences which include the areas of  
28 9 biotechnology, health care technology, and nursing  
28 10 care technology:

28 11 a. Projects in which an agreement between a  
28 12 community college and an employer located within the  
28 13 community college's merged area meet all of the  
28 14 requirements of the accelerated career education  
28 15 program under chapter 260G. Notwithstanding section  
28 16 260G.4B, projects funded with moneys from workforce  
28 17 training and economic development funds shall be  
28 18 approved by the Iowa values board established in  
28 19 section 15G.103.

28 20 b. Projects in which an agreement between a  
28 21 community college and a business meet all the

28 22 requirements of the Iowa jobs training Act under  
28 23 chapter 260F. However, when moneys are provided  
28 24 through the Iowa values fund for such projects,  
28 25 sections 260F.6, subsections 1 and 2, and section  
28 26 260F.8 shall not apply and projects shall be approved  
28 27 by the Iowa values board.

28 28 c. For the development and implementation of  
28 29 career academies designed to provide new career  
28 30 preparation opportunities for high school students  
28 31 that are formally linked with postsecondary career and  
28 32 technical education programs. Moneys from workforce  
28 33 training and economic development funds that are  
28 34 expended for purposes of this paragraph shall be  
28 35 approved by the Iowa values board established in  
28 36 section 15G.103. For purposes of this section,  
28 37 "career academy" means a program of study that  
28 38 combines a minimum of two years of secondary education  
28 39 with an associate degree, or the equivalent, career  
28 40 preparatory program in a nonduplicative, sequential  
28 41 course of study that is standards based, integrates  
28 42 academic and technical instruction, utilizes work=  
28 43 based and worksite learning where appropriate and  
28 44 available, utilizes an individual career planning  
28 45 process with parent involvement, and leads to an  
28 46 associate degree or postsecondary diploma or  
28 47 certificate in a career field that prepares an  
28 48 individual for entry and advancement in a high-skill  
28 49 and reward career field and further education. The  
28 50 department of economic development, in conjunction  
29 1 with the state board of education and the division of  
29 2 community colleges and workforce preparation of the  
29 3 department of education, shall adopt administrative  
29 4 rules for the development and implementation of such  
29 5 career academies pursuant to section 256.11,  
29 6 subsection 5, paragraph "h", section 260C.1, and Title  
29 7 II of Pub. L. No. 105=332, Carl D. Perkins Vocational  
29 8 and Technical Education Act of 1998.

29 9 d. Programs and courses that provide vocational  
29 10 and technical training, and programs for in-service  
29 11 training and retraining under section 260C.1,  
29 12 subsections 2 and 3.

29 13 3. The maximum cumulative total amount of moneys  
29 14 that may be deposited in all the workforce training  
29 15 and economic development funds for distribution to  
29 16 community colleges in a fiscal year shall be  
29 17 determined as follows:

29 18 a. Five million dollars for the fiscal year  
29 19 beginning July 1, 2003.

29 20 b. Ten million dollars for the fiscal year  
29 21 beginning July 1, 2004.

29 22 c. Fifteen million dollars for the fiscal year  
29 23 beginning July 1, 2005.

29 24 d. Twenty million dollars for the fiscal year  
29 25 beginning July 1, 2006.

29 26 e. Twenty-five million dollars for the fiscal year  
29 27 beginning July 1, 2007.

29 28 f. For the fiscal year beginning July 1, 2008, and  
29 29 each succeeding fiscal year, the Iowa values board  
29 30 shall make a determination if sufficient moneys exist  
29 31 in the Iowa values fund to distribute to community  
29 32 colleges.

29 33 Sec. \_\_\_\_\_. Section 260G.3, subsection 2, Code 2003,  
29 34 is amended to read as follows:

29 35 2. An agreement may include reasonable and  
29 36 necessary provisions to implement the accelerated  
29 37 career education program. If an agreement that  
29 38 utilizes program job credits is entered into, the  
29 39 community college and the employer shall notify the  
29 40 department of revenue and finance as soon as possible.  
29 41 The community college shall also file a copy of the  
29 42 agreement with the department of economic development  
29 43 as required in section 260G.4B. The agreement shall  
29 44 provide for program costs, including deferred costs,  
29 45 which may be paid from any of the following sources:

29 46 a. Program job credits which the employer receives  
29 47 based on the number of program job positions agreed to  
29 48 by the employer to be available under the agreement.

29 49 b. Cash or in-kind contributions by the employer  
29 50 toward the program cost. At a minimum, the employer  
30 1 contribution shall be twenty percent of the program  
30 2 costs.

30 3 c. Tuition, student fees, or special charges fixed  
30 4 by the board of directors to defray program costs.  
30 5 d. Guarantee by the employer of payments to be  
30 6 received under paragraphs "a" and "b".  
30 7 e. Moneys from a workforce training and economic  
30 8 development fund created in section 260C.18A, based on  
30 9 the number of program job positions agreed to by the  
30 10 employer to be available under the agreement, the  
30 11 amount of which shall be calculated in the same manner  
30 12 as the program job credits provided for in section  
30 13 260G.4A.

30 14 DIVISION VI  
30 15 CULTURAL AND ENTERTAINMENT DISTRICTS ==  
30 16 REHABILITATION PROJECT TAX CREDITS  
30 17 Sec. \_\_\_\_\_. NEW SECTION. 303.3B CULTURAL AND  
30 18 ENTERTAINMENT DISTRICTS.

30 19 1. The department of cultural affairs shall  
30 20 establish and administer a cultural and entertainment  
30 21 district certification program. The program shall  
30 22 encourage the growth of communities through the  
30 23 development of areas within a city or county for  
30 24 public and private uses related to cultural and  
30 25 entertainment purposes.

30 26 2. A city or county may create and designate a  
30 27 cultural and entertainment district subject to  
30 28 certification by the department of cultural affairs,  
30 29 in consultation with the department of economic  
30 30 development. A cultural and entertainment district  
30 31 shall consist of a geographic area not exceeding one  
30 32 square mile in size. A cultural and entertainment  
30 33 district certification shall remain in effect for ten  
30 34 years following the date of certification. Two or  
30 35 more cities or counties may apply jointly for  
30 36 certification of a district that extends across a  
30 37 common boundary. Through the adoption of  
30 38 administrative rules, the department of cultural  
30 39 affairs shall develop a certification application for  
30 40 use in the certification process.

30 41 3. The department of cultural affairs shall  
30 42 encourage development projects and activities located  
30 43 in certified cultural and entertainment districts  
30 44 through incentives under cultural grant programs  
30 45 pursuant to section 303.3, chapter 303A, and any other  
30 46 grant programs.

30 47 Sec. \_\_\_\_\_. Section 404A.4, subsection 4, Code 2003,  
30 48 is amended to read as follows:

30 49 4. The total amount of tax credits that may be  
30 50 approved for a fiscal year under this chapter shall  
31 1 not exceed two million four hundred thousand dollars.  
31 2 For the fiscal years beginning July 1, 2003, and July  
31 3 1, 2004, an additional two million dollars of tax  
31 4 credits may be approved each fiscal year for purposes  
31 5 of projects located in cultural and entertainment  
31 6 districts certified pursuant to section 303.3B. Any  
31 7 of the additional tax credits allocated for projects  
31 8 located in certified cultural and entertainment  
31 9 districts that are not approved during a fiscal year  
31 10 may be carried over to the succeeding fiscal year.

31 11 Tax credit certificates shall be issued on the basis  
31 12 of the earliest awarding of certifications of  
31 13 completion as provided in subsection 1. The  
31 14 departments of economic development and revenue and  
31 15 finance shall each adopt rules to jointly administer  
31 16 this subsection and shall provide by rule for the  
31 17 method to be used to determine for which fiscal year  
31 18 the tax credits are approved.

31 19 DIVISION VII  
31 20 SMALL BUSINESS ADVISORY COUNCIL  
31 21 Sec. \_\_\_\_\_. Section 15.108, subsection 7, paragraph  
31 22 h, Code 2003, is amended by striking the paragraph.>  
31 23 #2. By renumbering as necessary.

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31 24  
31 25  
31 26  
31 27 WILLIAM A. DOTZLER  
31 28 HERMAN C. QUIRMBACH  
31 29 ROGER STEWART  
31 30 DARYL BEALL  
31 31 JACK HATCH  
31 32 DR. JOE SENG

31 33 MATT McCOY  
31 34 AMANDA RAGAN  
31 35 JOHN P. KIBBIE  
31 36 EUGENE S. FRAISE  
31 37 JACK HOLVECK  
31 38 WALLY E. HORN  
31 39 DENNIS H. BLACK  
31 40 MICHAEL E. GRONSTAL  
31 41 MIKE CONNOLLY  
31 42 ROBERT E. DVORSKY  
31 43 THOMAS G. COURTNEY  
31 44 HF 692.205 80  
31 45 tm/sh